

SOUTH DAKOTA BUILDING AUTHORITY

2010 ANNUAL REPORT

SOUTH DAKOTA BUILDING AUTHORITY

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Vice Chairman

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Secretary

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

The Honorable M. Michael Rounds
Governor of South Dakota

and

Board of Directors
South Dakota Building Authority

We have audited the accompanying financial statements of the South Dakota Building Authority, a business-type activity component unit of the State of South Dakota, as of and for the fiscal year ended June 30, 2010, as listed in the Table of Contents. These financial statements are the responsibility of the South Dakota Building Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Dakota Building Authority, as of June 30, 2010, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages five through eight is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2010, on our consideration of the South Dakota Building Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the South Dakota Building Authority. The accompanying supplementary information listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Martin L. Guindon, CPA
Auditor General

October 29, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

This section of the South Dakota Building Authority's (Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2010 (FY 2010). This analysis should be read in conjunction with the Independent Auditor's Report, financial statements, notes to the financial statements and supplementary information.

The Authority

The Authority is a component unit of the State of South Dakota. As such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota. The purpose of the Authority is to build or otherwise provide facilities for use by the State. To finance such projects, the Authority is empowered to issue and sell bonds as the Legislature by law declares to be in the public interest. Amounts issued by the Authority shall not be deemed to constitute a debt of the State of South Dakota or any political subdivision thereof.

In addition, the Authority may finance loans to participants in a program of the United States to assist owners and operators of highly-erodible cropland by issuing bonds, pursuant to the powers vested in the Authority.

Concurrently with the issuance of bonds, the Authority executes leases or lease supplements with the board, department, office, commission, or agency of the State which will use and operate the facility.

The Authority has two separate activities, the Building Authority and the Conservation Reserve Enhancement Program (CREP), which are combined in these financial statements. The South Dakota Building Authority contracts with the South Dakota Health and Educational Facilities Authority for management services on an annual basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(continued)

Financial Highlights:

- Total assets of the Authority decreased \$50.5 million or (14.3%) (see below tables).
- Total liabilities of the Authority decreased \$2.3 million or (0.9%) (see below tables).
- Net assets of the Authority decreased \$48.2 million or (59.7%) (see below tables).
- Cash and cash equivalents of the Authority decreased \$46.1 million or (52.7%) (see below tables).
- Leases/loans receivables decreased \$4.9 million or (1.9%) (see below tables).
- Bonds payable decreased \$5.0 million or (2.0%) (see below tables).

Financial Statement Elements:

Changes in Assets, Liabilities and Net Assets

(in thousands of dollars)

	<u>2010</u>	<u>2009</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets:				
Cash and cash equivalents	\$ 41,461.1	\$ 87,565.7	\$ (46,104.6)	(52.7%)
Investments	366.5	355.0	11.5	3.2%
Leases/loans receivable	247,304.9	252,191.7	(4,886.8)	(1.9%)
Interest receivable	9,913.8	9,413.2	500.6	5.3%
Other assets	1.8	1.8	0	0.0%
Bond issuance costs, net of amortization	2,435.3	2,475.0	(39.7)	(1.6%)
Prepaid expenses	33.7	31.0	2.7	8.7%
Total assets	301,517.1	352,033.4	(50,516.3)	(14.3%)
Liabilities:				
Bonds Payable, net of unamortized premiums, deferred amount of refunding and original issue discount	249,515.6	254,505.7	(4,990.1)	(2.0%)
Due to State Agencies	1,630.8	2,820.8	(1,190.0)	(42.2%)
Accrued interest payable	9,775.7	9,093.5	682.2	7.5%
Customer deposits payable	1.3	1.3	0.0	0.0%
Deferred revenue	22.9	24.9	(2.0)	(8.0%)
Accounts payable	8,092.9	4,938.3	3,154.6	63.9%
Total liabilities	269,039.2	271,384.5	(2,345.3)	(0.9%)
Net assets	\$ 32,477.9	\$ 80,648.9	\$ (48,171.0)	(59.7%)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(continued)

Changes in Revenues, Expenses and Net Assets

(in thousands of dollars)

	<u>2010</u>	<u>2009</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Operating revenues:				
Finance income on leases receivable	\$ 12,803.9	\$ 12,986.7	\$ (182.8)	(1.4%)
Contract interest income	8.5	19.2	(10.7)	(55.7%)
Leases entered into with the State	13,585.0	75,685.0	(62,100.0)	(82.1%)
Premium on refunding bonds	395.4	391.8	3.6	0.9%
Fees, charges and other income	<u>867.9</u>	<u>600.2</u>	<u>267.7</u>	<u>44.6%</u>
Total operating revenues	27,660.7	89,682.9	(62,022.2)	(69.2%)
Operating expenses:				
Administrative costs	492.2	488.3	3.9	0.8%
Interest expense	13,303.8	13,184.3	119.5	0.9%
Amortization expense	233.6	249.6	(16.0)	(6.4%)
Project construction payments	<u>61,598.0</u>	<u>39,754.0</u>	<u>21,844.0</u>	<u>54.9%</u>
Total operating expenses	<u>75,627.6</u>	<u>53,676.2</u>	<u>21,951.4</u>	<u>40.9%</u>
Operating income/(loss)	(47,966.9)	36,006.7	(83,973.6)	(233.2%)
Total nonoperating revenues	<u>64.6</u>	<u>72.4</u>	<u>(7.8)</u>	<u>(10.8%)</u>
Income/(loss) before transfers	(47,902.3)	36,079.1	(84,981.4)	(232.8%)
Transfers to State	<u>(268.9)</u>	<u>(229.2)</u>	<u>(39.7)</u>	<u>17.3%</u>
Change in net assets	<u>\$ (48,171.2)</u>	<u>\$ 35,849.9</u>	<u>\$ (84,021.1)</u>	<u>(234.4%)</u>

Analysis:

For fiscal year 2010, the Authority entered into new leases in the amount of \$13,585,000 for new construction projects. New leases entered into with the State were well below the actual cash paid to date for project construction costs resulting in a significant decrease in the cash and investment balance in FY 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

(continued)

Debt Administration:

The Authority is authorized to issue tax-exempt revenue bonds, notes or other obligations on behalf of state institutions for the purpose of the constructing, equipping and improving of facilities or the refinancing of outstanding debt.

The Authority issued the Series 2009 bonds in the amount of \$13,585,000 to assist in funding the following Board of Regents project: Construction of a new campus in Rapid City, SD for the University Center – Rapid City.

The Authority paid at maturity bonds totaling \$18.1 million and paid at maturity escrowed bonds totaling \$5,375,000 in fiscal year 2010.

The Authority's bonds are rated from AAA to AA- by Standard and Poor's and Aa3 to A1 by Moody's Investor Service.

More detailed information about the Authority's debt can be found in Note 8, Bonds Payable.

Overview:

Lease rental payments and interest income are the major sources of revenues for the Authority. The decrease in average daily cash on hand held by the Authority compared to the prior year resulted in an decrease in interest income on investments. The net income/loss of the Authority can be affected by the timing of bond issuances compared to the project construction payments. In FY 2010 bonds were issued which were less than the project construction payments which resulted in a negative effect on change in net assets.

This report is presented to provide additional information regarding operations of the Authority and to meet the requirements of GASB Statement No. 34.

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SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF NET ASSETS
At June 30, 2010

Assets:

Current assets:

Cash and cash equivalents:

Held by South Dakota Investment Council	\$ 41,364,123
Held by trustee	<u>97,021</u>

Total cash and cash equivalents	41,461,144
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Investments held by trustee	366,454
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Direct financing leases receivable, State of S.D.	9,475,000
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Financing leases receivable, Sale Leaseback, and State Lease Revenue Trust	9,105,000
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Leases/loans interest receivable	9,787,009
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Interest receivable on investments	126,777
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Prepays	33,694
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Other assets	<u>1,802</u>
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Total current assets	70,356,880
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Noncurrent assets:

Bond issuance costs	2,435,321
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Contracts receivable – CREP	73,403
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Direct financing leases receivable, State of S.D.	191,080,000
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Financing leases receivable, Sale Leaseback, and State Lease Revenue Trust	<u>37,571,501</u>
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Total noncurrent assets	<u>231,160,225</u>
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Total assets	<u>301,517,105</u>
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Liabilities:

Current liabilities:

Bonds & Certificates of Participation payable

Net of unamortized premiums, deferred amount of refunding and original issue discount	18,715,855
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Due to State Agencies	1,630,871
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Accrued interest payable	9,775,712
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Deposits payable	1,250
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Accounts payable	8,092,864
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Deferred revenue	<u>22,921</u>
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Total current liabilities	38,239,473
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Noncurrent liabilities:

Bonds & Certificates of Participation payable

Net of unamortized premiums, deferred amount of refunding and original issue discount	<u>230,799,758</u>
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Total noncurrent liabilities	<u>230,799,758</u>
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Total liabilities	<u>269,039,231</u>
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Net assets:

Unrestricted net assets	1,193,037
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Restricted net assets	<u>31,284,837</u>
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Total net assets	<u>\$ 32,477,874</u>
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SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2010

Operating revenues:	
Finance income on lease receivables	\$ 12,803,929
Contract interest income	8,534
Leases entered into with State	13,585,000
Premium amortization	395,388
Fees, charges, and other	<u>867,878</u>
Total operating revenues	<u>27,660,729</u>
Operating expenses:	
Administrative costs	492,180
Interest expense	13,303,802
Amortization expense	233,582
Project construction payments	<u>61,597,958</u>
Total operating expenses	<u>75,627,522</u>
Operating loss	(47,966,793)
Nonoperating revenues/(expenses):	
Investment income	<u>64,589</u>
Total nonoperating revenues	<u>64,589</u>
Loss before transfers	(47,902,204)
Transfers:	
Transfers to State	<u>(268,810)</u>
Change in net assets	(48,171,014)
Net assets at beginning of year	<u>80,648,888</u>
Net assets at end of year	<u>\$ 32,477,874</u>

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010

Cash flows from operating activities:	
Receipts for leases	\$ 18,471,817
Receipts for interest income on leases	12,378,836
Receipts for fees	623,803
Payments for construction and other	(58,443,535)
Payment for general expenses	(498,455)
Net cash used for operating activities	(27,467,534)
Cash flows from noncapital financing activities:	
Proceeds from bonds	13,585,000
Principal paid on bonds	(18,485,000)
Interest payments on bonds	(12,350,260)
Net transfers	(268,810)
Payments to state agencies	(193,951)
Premiums on bonds	34,030
Payments for bond issuance costs	(1,803,925)
Net cash used for noncapital financing activities	(19,482,916)
Cash flows from investing activities:	
Receipt for investment income	857,362
Payments for investments	(416,454)
Receipt for investments	405,000
Net cash provided by investing activities	845,908
Net decrease in cash and cash equivalents during the fiscal year	(46,104,542)
Cash and cash equivalents at beginning of year	87,565,686
Cash and cash equivalents at end of year	\$ 41,461,144
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (47,966,793)
Adjustment to reconcile operating gain	
Amortization	233,582
Premium amortization	(395,388)
Interest expense	13,230,155
Amortized deferred amount of refunding	73,645
Decrease/(increase) in assets:	
Leases receivable	4,886,817
Interest receivable	(679,437)
Prepaid expenses	(2,645)
Increase/(decrease) in liabilities:	
Accounts payable	3,154,544
Deferred revenue	(2,014)
Total adjustments	20,499,259
Net cash used for operating activities	\$ (27,467,534)

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. The Authority

The South Dakota Building Authority (Authority) was created and organized by Chapter 5-12 of the South Dakota Codified Laws (the Act). The purposes of the Authority are to build and otherwise provide hospital, housing, penitentiary, administrative, classroom, dining hall, fieldhouse, parking, union building, library, recreational, laboratory, office and similar facilities for the use by the State. Amounts issued by the Authority shall not be deemed to constitute a debt of the State of South Dakota or any political subdivision thereof. The Authority is a component unit of the State of South Dakota. As such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

The Authority is empowered under the Act to acquire, construct, complete, remodel, maintain and equip buildings and other facilities as the Legislature by law declares to be in the public interest. To finance such projects, the Authority is empowered to issue and sell bonds or other forms of indebtedness in such amount or amounts as the Authority may determine, to refund and refinance its indebtedness as often as is advantageous in the public interest to do so, to pledge any and all income of the Authority and any revenues derived from such facilities or any combination thereof, to secure the payment of such bonds and other forms of indebtedness and to redeem such bonds or indebtedness. The Authority may also issue interim notes to finance any of the projects or perform any of the duties authorized under the Act, including planning, architectural and engineering fees, acquisition of land and purchase of equipment.

In addition, the Authority may finance loans to participants in a program of the United States to assist owners and operators of highly-erodible cropland in conserving and improving the soil and water resources of their farms or ranches within the state and may, for the purpose of financing such loans, issue revenue bonds or interim notes, pursuant to the powers vested in the Authority.

Concurrently with the issuance of bonds, interim notes or other forms of indebtedness, the Authority executes leases or lease supplements of the related facilities and sites with the board, department, office, commission or agency of the State which will use and operate the facility.

The Authority has two separate activities shown below.

Building Authority – Accounts for the lease rental receipts, debt service payments, service fees and disbursements necessary to conduct the day-to-day business of the Building Authority.

Conservation Reserve Enhancement Program (CREP) - The CREP funds account for the activity of the Conservation Reserve Enhancement Program, (See Note 5).

The South Dakota Building Authority contracts with the South Dakota Health and Educational Facilities Authority for management services on an annual basis.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation: The Authority, as a component unit of the State of South Dakota, follows standards established by the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles applicable to the Authority are generally those applicable to similar businesses in the private sector; however the Authority has elected to

apply the provisions of Government Accounting Standards Board (GASB) Statement Number 20 issued in September, 1993. This statement provides two approaches for applying business-type accounting and financial reporting for proprietary activities. The Authority has adopted the first approach identified in the Statement, which applies all GASB pronouncements, and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989.

Each fund utilizes the accrual basis of accounting wherein revenues are recognized when earned and expenses are recognized when incurred. Other significant policies are:

Leases: Properties leased under long-term contracts are accounted for as financing transactions. The present value of aggregate future rentals is recorded as a receivable at the inception of each lease, and rentals are allocated between principal repayment and finance income. Interest incurred during the construction of a project is funded currently by scheduled lease payments. Accordingly, such interest is recorded as an expense and the related finance income is recorded as revenue.

Fees, Charges and Other Income: Service and other fees are recorded as income when earned.

Bond Issuance Costs, Net of Amortization: Bond issuance costs consist of the cost of issuing debt with the bond or certificate of participation proceeds. These costs are written off over the term of the related debt issue using the straight-line method.

Reporting Entity: The accompanying financial statements include all the integral parts of the Authority's operations. The Authority believes that it has no oversight responsibility for any other agency which would require it to be included in the reporting entity.

Investments: The Authority participates in the investment pool managed by the South Dakota Investment Council. Under South Dakota Codified Law, the South Dakota Investment Council pools all participating monies for investment purposes and allocates all earnings of the investments back to the individual participating funds in the same ratio as the average daily cash balance of each participating fund bears to the average cash balance of the participating funds.

Investments are reported at fair value, which approximates market value, in accordance with GASB Statement No. 31. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Authority considers all highly liquid investments and all investments with insignificant risk of changes in value because of changes in interest rates to be cash and cash equivalents. Cash equivalents are reported at fair value.

Restricted Net Assets: The Tax Regulatory Agreement provides that certain funds be established to pay debt service payments, cost of issuance expenses and to pay project construction expenses. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. The total restricted net assets, as of June 30, 2010, are as follows:

Restricted Net Assets	<u>\$31,284,837</u>
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Revenue and Expense Recognition: Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from

providing services and producing and delivering items in connection with an enterprise fund's principal ongoing operations. The Authority records all revenues derived from lease payments and administrative fees as operating revenues since these revenues relate to the principal activity of the Authority. Operating expenses include interest expense on bonds and administrative expenses necessary to perform the principal activity of the Authority.

Note 3. Sale Leaseback Programs

On September 12, 2006, the Series 2006 B and C Bonds were issued in the amount of \$25,855,000. The bonds were issued to refund \$25,815,000 of the Series 1996A bonds on December 1, 2006.

On September 7, 1996, the Series 1996A Bonds were issued in the amount of \$112,471,501. The bonds were issued to refund \$112,475,000 of the 1986A Certificates of Participation on December 1, 1996.

The Certificates of Participation, 1986 Series A (the "1986A Certificates"), were originally sold in December, 1986 in connection with a sale and leaseback transaction between the State and the Authority of certain land and facilities, including the South Dakota State Penitentiary in Sioux Falls, the Custer State Hospital in Custer, the Redfield State Hospital and School (excluding food services facilities) in Redfield, and the Human Services Center in Yankton. The proceeds of the sale were used by the Authority to buy an annuity contract from Transamerica Occidental Insurance Company ("Transamerica").

Under current terms of this annuity contract, Transamerica is required to pay to the State on or before each June 1 and December 1, ending December 1, 2016, certain fixed amounts, which are equal to the scheduled principal and interest payments on the 1986A Certificates. The annuity payments are deposited in the State General Fund, where they are available for any General Fund expenditure, including debt service on the Series 1996A Bonds and Series 2006 B and C Bonds.

Note 4. State Lease Revenue Trust Certificates

On December 4, 1991, the State Lease Revenue Trust Certificates, Series A and B, in the amount of \$27,345,000, were issued. The Certificates are authorized and issued under an Indenture of Trust and Assignment of an Interest in Rental Payments under Certain Leases, dated as of October 15, 1991 (the "Indenture") between the Authority and The First National Bank in Sioux Falls as Trustee (the "Trustee"). The Certificates represent proportionate interests in the Rental Payments in respect of principal, payable (i) as to the Series A Certificates, on December 15, and in respect of interest payable on each June 15 and December 15 through the respective maturities on the Series A Certificates, with the first interest payment being June 15, 1992, and (ii) as to the Series B Certificates, on September 1 of the years and in the amounts shown on the cover page of the Offering Circular, and in respect of interest, payable on each March 1 and September 1 through the respective maturities of the Series B Certificates, with the first interest payment date being March 1, 1992.

The Series 1991A certificates were used to refund the Series 1986B certificates and the Series 1987A bonds. The Series 1986B certificates were paid in full in fiscal year 2001. The 1987A Bonds were paid in full in fiscal year 2002. The Series 1991B certificates were used to refund the Series 1988A bonds and the Series 1989 certificates.

Principal and interest represented by the respective series of Certificates are payable solely from amounts payable by the State under the pertinent Leases. The Certificates are not an indebtedness of the Authority within the meaning of any constitution or statutory debt limit, nor may the Certificates be a claim against the property of the Authority.

Leases under which Rental Payments are to be assigned to the Trustee are between the Authority and the Board of Regents and between the Authority and the Bureau of Administration of the State.

On June 1, 1993, the State Lease Revenue Trust Certificates, Series A and B, in the amount of \$44,385,000, were issued. The Certificates are authorized and issued under an Indenture of Trust and Assignment of an Interest in Rental Payments under Certain Leases, dated as of June 1, 1993 (the "Indenture") between the Authority and The First National Bank in Sioux Falls as trustee (the "Trustee"). The Certificates represent proportionate interests in the Rental Payments in respect of principal, payable on September 1 of the years and in the amounts shown on the inside cover page of the Offering Circular, and in respect of interest payable on each March 1 and September 1 through the respective maturities of the Certificates, with the first interest payment date being September 1, 1993.

The Authority has sold and assigned the right to receive the Rental Payments to the Trustee. The Rental Payments under the Series A Lease are assigned to the owners of the Series A Certificates. The Rental Payments under the Series B Leases for the payment of the 1987B Bonds are assigned to the owners of the Series B Certificates. Amounts received upon the sale of the Certificates were paid to the Authority as consideration for the sale and assignment of Rental Payments under the Series A Lease and the Series B Leases (collectively, the "Leases"). The Authority utilized a portion of the proceeds from the sale of the Series A Certificates to establish an escrow account sufficient to defease a portion of its \$34,805,000 outstanding Revenue Bonds, Series 1992 (the "1992 Bonds") and utilized a portion of the proceeds from the sale of the Series B Certificates to establish an escrow sufficient to defease its \$11,310,000 outstanding Revenue Bonds Series 1987B (the "1987B Bonds"). The portion of the 1992 Bonds that were defeased (the "1992 Defeased Bonds") consists of \$33,075,000 of the 1992 Bonds issued for the benefit of the Department of Human Services of the State. The 1992 Defeased Bonds and the 1987B Bonds (collectively, the "Defeased Bonds") were issued by the Authority to finance or refinance the costs of the acquisition of certain sites and construction of the leased facilities (the "Leased Facilities"). The Defeased Bonds are payable solely from the Rental Payments and other payments to be made by the State to the Authority. After a deposit of a sufficient portion of the proceeds from the sale of the Series A Certificates the 1992 Defeased Bonds were legally defeased and have no further claim to any of the Rental Payments.

After a deposit of a sufficient portion of the proceeds of the Series B Certificates, the 1987B Bonds were economically defeased, but not legally defeased, and the 1987B Bonds will continue to have a claim on the Rental Payments pledged under the Series B Leases prior to such pledge to the Series B Certificates.

Principal and interest represented by the respective Series of Certificates are payable from amounts payable by the State under the pertinent Leases. The Certificates are not an indebtedness of the Authority within the meaning of any constitutional or statutory debt limit, nor may the Certificates be a claim against the property of the Authority.

Leases under which Rental Payments are to be assigned to the Trustee are between the Authority and the Department of Human Services of the State and the Board of Regents.

Note 5. Conservation Reserve Enhancement Program (CREP)

Taxable Revenue Bonds (Conservation Reserve Enhancement Program) are issued under the authority of the Act, pursuant to a Bond Resolution adopted by the Authority on February 15, 1989, with certain duties thereunder to be accepted by the First National Bank in Sioux Falls, South Dakota, or its successor, as Trustee. The First Series Bonds were issued to make (i) loans to certain individuals who have Conservation Reserve Program contracts with the Commodity Credit Corporation of the United States Department of Agriculture ("CRP Participants"), (ii) fund interest on the Bonds and (iii) pay issuance expenses.

On July 2, 1992, the Authority issued \$2,591,000 of Taxable Revenue Bonds (Conservation Reserve Enhancement Program), Third Series. On July 15, 1993, the Authority issued \$1,474,000 of Taxable Revenue Bonds (Conservation Reserve Enhancement Program), Third Series. On April 15, 1998, the Authority issued \$8,000,000 of Taxable Revenue Bonds (Conservation Reserve Enhancement Program) Series 1998A. These issuances provided funds to make loans to farmers or ranchers who are participants in the United States Department of Agriculture Conservation Reserve Program.

The Conservation Reserve Program ("CRP"), authorized by Title XII of the United States Food Security Act of 1985, was established to conserve and eliminate crop production on forty to forty-five million acres of highly erodible land across the United States. Under this program, certain individuals ("CRP Participants") enter into contracts ("CRP Contracts") with the Commodity Credit Corporation ("CCC") of the United States Department of Agriculture. Pursuant to the terms of the CRP contracts, CRP participants receive annual payments ("CRP Payments") from CCC for performing certain conservation practices.

South Dakota's Conservation Reserve Enhancement Program was designed to provide for the Authority, using its bonding authority, to advance to CRP participants a one-time lump sum of money representing a certain present value percentage of their remaining CRP payments. In order to obtain this advance, CRP participants have to enter into Successor-in-Interest Agreements with the Authority so that 100% of their remaining CRP payments are made by CCC to the Authority.

Sources of payment and security for the Series 1998A Bonds are as follows:

- (1) The primary source of payment will be lease rental payments derived by the Authority from a sublease and supplements thereto between the Authority and the State acting by and through the Department of Game, Fish and Parks. The lease was executed concurrently with the issuance of the First and Second Series Bonds, now paid in full, in accordance with the design of the Conservation Reserve Enhancement Program.

In the Conservation Reserve Enhancement Program, CRP participants will be required to enter into a certain Lease Funding Agreement with the Authority, whereby the Authority will lease, and thereby take possession of, certain property owned by CRP participants and subject to CRP contracts. The Authority will then sublease or rent this property to the Department of Game, Fish and Parks pursuant to the aforementioned lease. Annually, the Department of Game, Fish and Parks will seek an appropriation from the State Legislature to make its rental payments to the Authority. The requested amount of the rental payments will be sufficient in each fiscal year to pay debt service on all Series of bonds and to cover certain costs associated with administering and ensuring compliance with the Conservation Reserve Enhancement Program.

- (2) The secondary source of payment will be annual CRP payments made by the Commodity Credit Corporation to the Authority pursuant to Successor-in-Interest Agreements between CRP participants, CCC and the Authority. CRP Payments may be made, at the discretion of USDA, in the form of cash or Commodity Certificates. Commodity Certificates may be redeemed for cash immediately at local grain elevators at their current market value. Their redemption value has ranged from approximately 95% to 140% of their face value. If held for five months, they may be redeemed at local Agriculture Stabilization and Conservation ("ASCS") offices at face value. The Authority will assign its rights to the CRP payments to the Trustee.

The amount of CRP payments received in each fiscal year is anticipated to approximate that of the annual lease rental payments requested of the State Legislature by the Department of Game, Fish and Parks. The Trustee will use CRP payments to make debt service payments on the bonds and pay other costs only if the annual lease rental payments are deficient for those purposes. Otherwise, the Trustee shall reimburse the State, pursuant to conditions in the Resolution, to the extent of the lease rental payments it has received.

- (3) A financial guaranty bond was issued by Financial Security Assurance, Inc. formerly known as Capital Guaranty Insurance Company simultaneously with the issuance of the First, Second and Third Series, now paid in full, and the Series 1998A Bonds which provides for the prompt payment of principal and interest on the Series 1998A Bonds when due for payment to the extent that the Trustee has not received sufficient funds from the issuer or other obligor responsible for payment of the bonds.

At the time of delivery of the First Series Bonds, a Compliance Reserve Fund was established. Initially, it was funded by a Letter of Credit issued by The First National Bank in Sioux Falls, in an amount equal to \$140,000. On each November 1 thereafter there shall be on deposit in the Compliance Reserve Fund (i) cash or investments, (ii) an irrevocable letter of credit issued by a bank or financial institution acceptable to the Bond Insurer and payable to the South Dakota Building Authority to assure continuing compliance with the Conservation Reserve Program or (iii) a combination thereof, and in the aggregate amount of \$140,000 with respect to such cash or investment and the remaining undrawn portion of such letter of credit, or such lesser amount as shall be approved from time to time by the Bond Insurer. Funds may be withdrawn from the Compliance Reserve Fund and disbursed for the purpose of assuring continuing compliance with the Conservation Reserve Program.

The following is a schedule of future payments remaining on contracts receivable of the Conservation Reserve Enhancement Program at June 30, 2010:

Year Ending June 30	Principal	Interest	Total
2011	\$ 42,431	\$ 8,197	\$ 50,628
2012	29,681	5,012	34,693
2013	24,537	2,765	27,302
2014	10,863	557	11,420
Total payments	<u>\$ 107,512*</u>	<u>\$ 16,531</u>	<u>\$ 124,043</u>

* Conservation Reserve Enhancement Program prepayments in the amount of \$34,109 and contracts receivable in the amount of \$73,403 are included in the total principal payments in the table above.

Note 6. Cash and Investments Held by South Dakota Investment Council and Trustee

Management of the State's internal investment pool is the statutory responsibility of the South Dakota Investment Council. The investment policy and required risk disclosures for the State's internal investment pool are presented in the South Dakota Investment Council Audit Report. Cost and fair value, which approximates market value, of cash and investments on June 30, 2010 consist of the following:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Investments managed by the South Dakota Investment Council	\$ 40,947,822	\$ 41,364,123
Conservation Reserve Enhancement Program Cash and Investments held by the Trustee	<u>463,475</u>	<u>463,475</u>
	<u>\$ 41,411,297</u>	<u>\$ 41,827,598</u>

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2010, none of the Authority's deposits were exposed to custodial credit risk.

Interest Rate Risk:

The original CREP Series February 1989 bond Resolution permits the Authority funds to be invested in securities of the United States Government, either directly or indirectly, commercial paper, interest bearing demand or time deposits, and such other investments as are approved in writing by the bond insurer. As of June 30, 2010 the CREP had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
BankWest CD	\$116,081	\$ 116,081	\$ 0	\$ 0
First Dakota National Bank CD	50,373	50,373	0	0
Great Western Bank CD	200,000	200,000	0	0

Credit Risk:

The Investment Management Policy of the CREP pertaining to the investments held as of June 30, 2010 is as follows:

"Permitted Investments" means any of the following, with appropriate value and of an appropriate maturity:

1. Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America.
2. Obligations of instrumentalities or agencies of the United States of America with a trust account held with the Federal Reserve Bank (New York) or with a clearing corporation or chain of clearing corporations which have an account with the Federal Reserve Bank (New York).
3. Federal Housing Administration debentures.
4. Interest bearing demand or time deposits issued by state banks or trust companies or any national banking associations which are members of the FDIC.

Note 7. Direct Financing Leases Receivable

In accordance with the bond resolutions, the Authority has entered into leases with various boards and departments of the State of South Dakota on the facilities completed and those now in construction. These leases call for rentals which, in the aggregate, are sufficient to pay the principal and interest on the related bonds and any administrative costs of the Authority.

At such time as the lessees have paid rentals sufficient to cover the principal and administrative costs, the Authority will transfer all its rights, title and interest in the related facilities to the lessee.

The leases, which are for periods coinciding with the revenue bonds issued related to the various facilities, are subject to termination and cancellation in any year for which the Legislature of South Dakota fails to make an appropriation to pay the required rentals.

A summary of lease receivables at June 30, 2010 is as follows:

Agency	Related Bond Issues	Lease Bonds	Sale Leaseback and State Lease Revenue Trust
Health Department	2006A Revenue Bond	\$ 2,514,710	\$ -
Board of Regents	1999 Revenue Bond	351,072	-
	2000 Revenue Bond	226,765	-
	2002 Revenue Bond	5,974,220	-
	2003 Revenue Bond	6,479,477	-
	2003A Revenue Bond	20,421,731	-
	2005C Revenue Bond	22,844,685	-
	2006A Revenue Bond	4,210,909	-
	2007 Revenue Bond	73,375,825	-
	2008 Revenue Bond	116,279,808	-
	2009 Revenue Bond	25,269,865	-
Bureau of Finance and Management	1996A Revenue Bond	-	18,530,000
	2006B Revenue Bond	-	18,869,712
	2006C Revenue Bond	-	972,690
Department of Human Services	1993A State Lease Revenue Trust	-	22,323,448
Department of Game, Fish and Parks	1999 Revenue Bond	1,009,445	-
	2003 Revenue Bond	563,433	-
	2006A Revenue Bond	13,950,212	-
	2007 Revenue Bond	7,586,100	-
	2008 Revenue Bond	3,034,750	-
Bureau of Administration	1991A State Lease Revenue Trust	-	2,820,638
	1991B State Lease Revenue Trust	-	2,567,534
Office of Attorney General	Series 2005 A&B	9,948,173	-
Total Minimum Lease Payments		314,041,180	66,084,022
Less: Amount Representing Interest		113,486,180	19,407,521
Present Value of Lease Payments		<u>\$200,555,000</u>	<u>\$ 46,676,501</u>

The following is a schedule of future lease payments remaining at June 30, 2010 (excluding Conservation Reserve Enhancement Program):

Year Ending June 30	<u>Lease Bonds</u>		<u>Sale Leaseback and State Lease Revenue Trust</u>		Total
	Principal	Interest	Principal	Interest	
2011	\$ 9,475,000	\$ 9,387,267	\$ 9,105,000	\$ 2,145,699	\$ 30,112,966
2012	9,165,000	8,974,090	8,915,000	1,652,383	28,706,473
2013	8,690,000	8,575,239	8,735,000	1,165,702	27,165,941
2014	8,465,000	8,207,700	4,909,550	3,939,760	25,522,010
2015	8,385,000	7,824,419	4,280,601	3,892,527	24,382,547
2016-2020	42,080,000	33,388,285	10,731,350	6,611,450	92,811,085
2021-2025	47,540,000	23,010,201	-	-	70,550,201
2026-2030	44,635,000	11,783,049	-	-	56,418,049
2031-2035	22,120,000	2,335,930	-	-	24,455,930
	<u>\$200,555,000</u>	<u>\$113,486,180</u>	<u>\$ 46,676,501</u>	<u>\$ 19,407,521</u>	<u>\$380,125,202</u>

The payments reported in the preceding lease receivable schedules do not include administrative fees incorporated into the lease schedules and collected over the life of the lease.

Note 8. Lease Bonds, Sale Leaseback and State Lease Revenue Trust Certificates and Conservation Reserve Enhancement Program Bonds Payable

The following is a schedule of the activity and ending balances for the Lease Bonds, Sale Leaseback, State Lease Revenue Trust Certificates, and Conservation Reserve Enhancement Program bonds payable as of June 30, 2010.

Series	Final Maturity Date	Percent Interest Rate	Balance 6/30/09	Issued	Retired	Balance 6/30/10	Due Within 1 Year
<u>Lease Bonds:</u>							
1996C	2009	-	\$ 1,055,000	\$ -	\$ 1,055,000	\$ -	\$ -
1999	2019	4.6-5.125	1,560,000	-	485,000	1,075,000	90,000
2000	2010	6.15	430,000	-	210,000	220,000	220,000
2002	2026	4.45-5.7	4,180,000	-	155,000	4,025,000	160,000
2003	2015	4.0-5.0	8,480,000	-	2,025,000	6,455,000	2,125,000
2003A	2028	3.0-5.0	14,350,000	-	540,000	13,810,000	545,000
2005B	2026	3.375-5.0	7,335,000	-	305,000	7,030,000	325,000
2005C	2029	3.5-5.0	16,520,000	-	215,000	16,305,000	630,000
2006A	2026	4.25-5.0	15,490,000	-	410,000	15,080,000	1,545,000
2007	2032	4.25-5.0	53,250,000	-	1,585,000	51,665,000	1,645,000
2008	2033	4.0-5.0	73,470,000	-	1,745,000	71,725,000	1,825,000
2009	2034	2.65-6.76	-	13,585,000	420,000	13,165,000	365,000
<u>Sale Leaseback:</u>							
1996A	2016	5.8-5.95	6,326,501	-	-	6,326,501	-
2006B	2013	4.25-5.0	24,070,000	-	6,500,000	17,570,000	6,180,000
2006C	2013	5.55	1,150,000	-	265,000	885,000	280,000
<u>State Lease Revenue Trust Certificates:</u>							
1991A	2016	6.75	2,720,000	-	410,000	2,310,000	390,000
1991B	2013	6.625	2,735,000	-	480,000	2,255,000	505,000
1993A	2017	6.625-6.7	18,980,000	-	1,650,000	17,330,000	1,750,000
<u>Conservation Reserve Enhancement Program:</u>							
1998A	2009	6.5	30,000	-	30,000	-	-
Total			<u>\$ 252,131,501</u>	<u>\$13,585,000</u>	<u>\$18,485,000</u>	<u>\$247,231,501</u>	<u>\$ 18,580,000</u>

The bonds and trust certificates at June 30, 2010 are payable as follows:

Year Ending June 30	Principal	Interest	Total
Lease Bonds			
2011	\$ 9,475,000	\$ 9,387,267	\$ 18,862,267
2012	9,165,000	8,974,090	18,139,090
2013	8,690,000	8,575,239	17,265,239
2014	8,465,000	8,207,700	16,672,700
2015	8,385,000	7,824,419	16,209,419
2016-2020	42,080,000	33,388,285	75,468,285
2021-2025	47,540,000	23,010,201	70,550,201
2026-2030	44,635,000	11,783,048	56,418,048
2031-2035	22,120,000	2,335,930	24,455,930
Subtotal	200,555,000	113,486,179	314,041,179
Sale Leaseback and State Lease Revenue Trust			
2011	9,105,000	2,145,699	11,250,699
2012	8,915,000	1,652,383	10,567,383
2013	8,735,000	1,165,702	9,900,702
2014	4,909,550	3,939,760	8,849,310
2015	4,280,601	3,892,527	8,173,128
2016-20120	10,731,350	6,611,450	17,342,800
Subtotal	46,676,501	19,407,521	66,084,022
Total	<u>\$247,231,501</u>	<u>\$132,893,700</u>	<u>\$380,125,201</u>

Less unamortized:

Deferred amount of refunding	(1,138,146)
Original issue discount	(45,252)

Add unamortized:

Premiums	<u>3,467,510</u>
Total Net of Amortization	<u>\$249,515,613</u>

Note 9. Refunded Bonds

The Authority has entered into refunding transactions whereby refunding bonds have been issued to facilitate defeasance of the Authority's obligation with respect to certain bond issues. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the issues being refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the Authority has satisfied its obligations with respect thereto through consummation of the refunding transactions.

A summary of the refunded bond issues with bonds outstanding in escrowed funds at June 30, 2010 is as follows:

<u>Bond Issues Refinanced</u>	<u>Year of Refunding</u>	<u>Original Amount Refunded</u>
Series 2000	2006	4,805,000
Series 2002 Special Obligation Taxable Refunding Bonds	2002	6,825,000

The Series 2000 refunded portion is to be called on September 1, 2010

The Series 2002 Special Obligation bonds will mature on September 1, 2013

Note 10. Commitments

The State Investment Council was investing \$41,364,123 on June 30, 2010 of which \$38,510,751 represented unspent construction proceeds for bonded State agency construction projects.

Note 11. Subsequent Events

The Authority on September 2, 2010 issued the Series 2010A Taxable Revenue (Build America Bonds) bonds in the amount of \$11,400,000 to finance the renovation and infrastructure costs at Northern State University, Dakota State University and Black Hills State University. These were taxable bonds and are scheduled to receive a 35% interest rebate from the federal government.

The Authority on September 2, 2010 issued the Series 2010B Taxable Revenue (Recovery Zone Economic Development Bonds) bonds in the amount of \$14,600,000 to finance a portion of the construction for a new dietary facility on the State's Human Services Center campus in Yankton, SD, and a portion of the construction of a new classroom building at the University Center in Sioux Falls. These were taxable bonds and are scheduled to receive a 45% interest rebate from the federal government.

The Authority on September 2, 2010 issued the Series 2010C Taxable bonds in the amount of \$3,875,000 to fund a portion of the cost of infrastructure improvements at Custer State Park. The improvements that comprise the Custer State Park project were also partially funded by the Authority's Series 2007 and Series 2008 bonds, have been entirely completed, and are already under lease to the Department of Game, Fish & Parks by the Authority.

The Authority on September 2, 2010 issued the Series 2010D Revenue Refunding bonds in the amount of \$1,065,000 to refund the remaining Series 1999 bonds.

Note 12. Arbitrage

Arbitrage as it applies to government financing refers to the ability of state governments to obtain funds at a tax-exempt rate of interest and to then invest those funds in investments which earn a higher yield, resulting in a profit to the issuer. The arbitrage rebate rules require that any earnings from the investment of the tax-exempt bond proceeds which exceed the yield on the bonds be remitted to the federal government every five years.

Under the terms of the bond documents, the Authority will pay any obligations due to the federal government at the final computation date. Based on arbitrage rebate calculations made for the Series 2007 Bonds, a potential obligation exists in the amount of \$325,320 as of June 30, 2010. No rebate payment is required to be made to the federal government until 60 days after June 13, 2012 and a rebate payment will only be required if it is determined that an excess still exists. As such, no obligation for arbitrage is reported within this financial statement. There were no payments made by the Authority related to any other outstanding bond issues in fiscal year 2010 for rebate obligations to the federal government as none were due.

**SOUTH DAKOTA BUILDING AUTHORITY
SUPPLEMENTARY INFORMATION
June 30, 2010**

SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF CASH AND INVESTMENTS
June 30, 2010

Project	Cash and Investments (at Cost)
Lease Program	
Debt Service Fund	\$ 253,789
Series 2000 Debt Service Fund	4,500
Series 2007 Board of Regents	399,055
Series 2007 Dept. of Game, Fish & Parks	155,245
Series 2008 Board of Regents	27,895,902
Series 2009 Board of Regents	<u>10,060,548</u>
Total Lease Program	38,769,039
Operating Fund	999,702
Conservation Reserve Enhancement Program	463,475
Excess Cash Account	9,462
State Investment Council interest	<u>1,169,619</u>
Total	<u>\$ 41,411,297</u>

The cash and investments within the lease program include the amounts restricted for the completion of the projects based on construction budgets.

SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF BUILDING AUTHORITY FUND EXPENSES
For the Year Ended
June 30, 2010

S.D.B.A. administrative expenses	
Insurance – Property & performance bond	\$ 210,470
South Dakota Health and Educational Facilities Authority – administrative fees	114,238
Directors and Officers insurance	26,071
Trustee and paying agent fees	20,750
Audit fees	12,404
Rebate computation expense	10,000
Rent	8,124
Travel	6,499
Legal Fees	3,706
Other	3,507
Office expense	2,890
Capital Purchases	1,651
Board member per diem and travel	1,038
Utilities	1,200
Telephone	968
Total S.D.B.A. administrative expenses	<u>423,516</u>
C.R.E.P. administrative expenses	
Personal services	43,796
Personal benefits	10,039
Support services	2,500
Rent	6,480
Office expense	3,115
Audit fees	1,032
Utilities	1,202
Trustee fees	500
Total C.R.E.P. administrative expenses	<u>68,664</u>
Total administrative expenses	<u>\$ 492,180</u>

SOUTH DAKOTA BUILDING AUTHORITY

SCHEDULE OF PROJECTS FINANCED

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1969A	Northern State College classroom and auditorium	\$ 1,000,000
Series 1969B	Plankinton kitchen and dining facility	325,000
Series 1970	South Dakota State University Physical Education Center	3,685,000
Series 1971	\$1,581,500 Black Hills State University Library	
	\$875,000 Yankton State Hospital	2,456,500
Series 1975 Jan	South Dakota School of Mines and Technology Physical Education Center	2,600,000
Series 1975A	\$1,600,000 South Dakota State University Animal Science Center	
	\$3,600,000 University of South Dakota Science Center	5,200,000
Series 1975B	South Dakota State University Library	4,200,000
Series 1975 Aug	Refunded Series 1969, 1970, 1971, 1975 Jan, 1975 A & B bonds	17,500,000
Series 1976 Apr	Redfield Food Service facility	2,000,000
Series 1976 Jun	University of South Dakota Physical Education Center	5,200,000
Series 1977	South Dakota State University Feed Processing Unit	980,000
Series 1978 Jan	Northern State College Beulah Williams Library	490,000
Series 1978 Apr	Refund Series 1975 Aug, 1976 Apr, 1976 Jun, 1977 Jul and 1978 Jan bonds	26,685,000
Series 1980 Feb	\$4,250,000 University of South Dakota Law School	
	\$500,000 South Dakota State University Pharmacy Addition	4,750,000
Series 1980 Mar	South Dakota State University Horticultural Center	520,000
Series 1980 May	South Dakota State University Home Management Laboratory	100,000
Note 1981 Jan	\$3,269,000 Blue Dog fish hatchery	
	\$130,000 Watertown cold storage	3,399,000
Note 1981 Mar	Board of Regents	600,000
Series 1982 Nov	\$2,290,000 Blue Dog fish hatchery	
	\$130,000 Watertown cold storage unit	
	\$600,000 University of South Dakota Armory	3,020,000
Series 1984	Refunded Series 1978 Apr, 1980 Feb, 1980 Mar, and 1982 Nov bonds	21,870,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1985	Northern State College Barnett Center	6,915,000
Series 1986A	Sale Leaseback	175,000,000
Series 1986B	Sale Leaseback	12,820,000
Series 1987A	Cultural Heritage Center	5,500,000
Series 1987B	Refunded Series 1984 bonds	12,665,000
Series 1988A	Black Hills State University Physical Education Facility	2,947,000
Series 1989 Certificates	Sale Leaseback – Improvements to State Facilities	7,075,000
Series 1989 Mar	Conservation Reserve Enhancement Program	10,000,000
Series 1989 Sep	Conservation Reserve Enhancement Program	5,263,000
Series 1989 Nov	Conservation Reserve Enhancement Program	4,737,000
Series 1990 Mar	Conservation Reserve Enhancement Program	2,000,000
Series 1990 Jun	Conservation Reserve Enhancement Program	3,000,000
Series 1990 Dec	Conservation Reserve Enhancement Program	3,000,000
Series 1990 Certificates	Energy Conservation Projects	1,500,000
Series 1991 Jul	Conservation Reserve Enhancement Program	4,015,000
Series 1991A	Custer State Park	1,200,000
Series 1991B	\$4,895,500 Northern Plains Biostress Lab	6,195,000
Series 1991A	\$1,299,500 Custer State Park	11,315,000
Lease Revenue Trust	Refunded Series 1986B and 1987A bonds	
Series 1991B Lease Revenue Trust	Refunded Series 1988A and 1989 certificates	16,030,000
Series 1992 Jul	Conservation Reserve Enhancement Program	2,591,000
Series 1992	\$33,075,000 Human Services Center \$1,500,000 Custer State Park \$230,000 Northern Plains Biostress Lab	34,805,000
Series 1992 Dec	Conservation Reserve Enhancement Program	223,500
Series 1993 Jul	Conservation Reserve Enhancement Program	1,474,000
Series 1993A	University of South Dakota - I.D. Weeks Library addition	6,800,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1993B	\$5,400,000 South Dakota State University Animal Diagnostic Laboratory	
	\$200,000 Custer State Park Sylvan Lake Store, preliminary Engineering study, conference center & additional lodging units at State Game Lodge	5,600,000
Series 1993A	Refund Series 1992 - Human Services Center	33,075,000
Lease Revenue Trust		
Series 1993B	Refund Series 1987B bonds	11,310,000
Lease Revenue Trust		
Series 1994A	\$7,100,000 State Health Lab \$425,000 Custer State Park – Legion Lake Store	7,525,000
Note 1995	Northern State University Beulah Williams Library	4,500,000
Series 1995A	Refund 1995 Note - \$4,500,000 Northern State University Beulah Williams Library \$7,450,000 Board of Regents Repair & Maintenance	11,950,000
Series 1996A	Refund Series 1986A certificates	112,471,501
Series 1996B	Refund Series 1986A certificates	19,665,000
Series 1996C	Refund Series 1991B and 1994A bonds	14,140,000
Series 1996D	Sioux Falls Outdoor Learning Skills Center	2,500,000
Series 1997	University of South Dakota Old Main Building Renovation	2,463,000
Series 1998A	Conservation Reserve Enhancement Program	8,000,000
Series 1999	Board of Regents Renovation/Construction Projects \$3,030,000 DSU \$2,540,000 SDSU \$2,540,000 SDSM&T Refund Series 1992 - \$1,845,000	9,955,000
Series 2000	University of South Dakota Dakota Dome Roof	6,505,000
Series 2002	Refund Series 1988A bonds and Series 1989 certificates	6,825,000
Special Obligation Taxable Refunding bonds		
Series 2002	Dakota State University Technology Classroom - \$2,500,000 Black Hills State University Meier Music Hall - \$2,500,000	5,000,000
Series 2003	Refund Series 1993A & B, 1995A, and 1996D bonds	15,785,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2003A	University of South Dakota Lee Medical School - \$12,500,000	
	South Dakota School of Mines & Technology Renovate Devereaux Library, Air conditioning Unit - Physical Plant, and campus primary Electrical upgrade - \$2,040,000	
	Refund Series 1997 bonds - \$2,320,000	16,860,000
Series 2005 A & B	Office of Attorney General and Department of Public Safety DCI Crime Lab Building	12,635,000
Series 2005 C	Northern State University Technology Classroom Building – \$7,000,000 Refund portion of the Series 1999 & 2000 Bonds – \$10,125,000	17,125,000
Series 2006A	Center for Graduate Education and Applied Research (GEAR) in Sioux Falls - \$2,000,000 Game, Fish & Parks fish hatcheries improvements - \$10,000,000 Refund portion of Series 1996C bonds - \$4,265,000	16,265,000
Series 2006 B & C	Refund portion of Series 1996A	25,855,000
Series 2007	South Dakota State University Shepard Hall/New Science Building – \$24,000,000 Public University New Classroom Building – \$7,700,000 University of South Dakota School of Business – \$5,400,000 Slagle Hall Renovation – \$4,600,000 Various Maintenance and Repair Projects – \$8,590,000 Custer State Park Improvements Projects – \$5,110,000 Custer State Park Camping Cabins – \$840,000	56,240,000
Series 2008	Black Hills State University New Science Center – 8,034,361 Dakota State University Habeger Science Center Renovation – 6,005,750 Northern State University Mewalt/Jensen – Krikac Renovation – 2,687,171 South Dakota School of Mines & Technology Chemistry/Bio-Engineering Building – 17,859,804 Paleontology Building – 7,024,922 South Dakota State University Agriculture Hall Renovation – 7,962,629 Dairy Microbiology Building Renovation – 8,214,225 University of South Dakota Akeley Lawrence Science Center Renovation – 5,228,094 Churchill/Haines Building Renovation – 6,714,341 Pardee Lab Renovation – 3,771,432 Custer State Park Improvements Projects – 2,182,271	75,685,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2009	University Center – Rapid City Classroom & Campus	13,585,000
		<u>\$ 955,170,501</u>